

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Rye Regulations, Series 1, No. 1)

**MARKETING YEAR, RATE OF PROCESSING TAX,
DEFINITIONS, AND CONVERSION FACTORS**

**RYE REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE
WITH THE APPROVAL OF THE PRESIDENT UNDER THE AGRICULTURAL ADJUSTMENT ACT**

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the Authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, R. G. Tugwell, Acting Secretary of Agriculture, do make, prescribe, publish and give public notice of these regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

I. MARKETING YEAR

In the case of rye, the first marketing year shall be considered to be the period commencing September 1, 1935, and ending June 30, 1936. Subsequent marketing years shall commence on July 1 and end on June 30 of the succeeding year.¹

II. RATE OF TAX

For the period from September 1, 1935, to December 31, 1937, both inclusive, the processing tax with respect to rye shall be levied, assessed, collected, and paid at the rate of 30 cents per bushel of fifty-six pounds.²

The weight of rye subject to the processing tax shall be the weight of clean rye.

III. DEFINITIONS

The following terms, as used in these Regulations, shall have the meanings hereby assigned to them:

First domestic processing means the milling or other processing (except cleaning and drying) of rye for market, including custom milling for toll as well as commercial milling, but shall not include the grinding or cracking thereof not in the form of flour for feed purposes only.³

¹ "In the case of rye, the first marketing year shall be considered to be the period commencing September 1, 1935, and ending June 30, 1936. Subsequent marketing years shall commence on July 1 and end on June 30 of the succeeding year." Section 9 (b) (4) of the Act, as amended by Section 12 of the act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", Public No. 320, 74th Congress, approved August 24, 1935.

² "For the period from September 1, 1935, to December 31, 1937, both inclusive, the processing tax with respect to rye shall be levied, assessed, collected, and paid at the rate of 30 cents per bushel of fifty-six pounds." Section 9 (b) (4) of the Act, as amended by Section 12 of the act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", Public No. 320, 74th Congress, approved August 24, 1935.

³ "In the case of wheat, rye, barley, and corn, the term 'processing' means the milling or other processing (except cleaning and drying) of wheat, rye, barley, or corn for market,

Whole-rye flour, whole-rye meal is any flour, or meal, made from rye, containing in their approximate natural proportions substantially all of the constituents of clean rye.

All rye flour except whole-rye flour and whole-rye meal is any flour (except whole-rye flour, whole-rye meal, rye farina) obtained in the milling of rye.

Rye farina is the coarse granular endosperm product obtained in the milling of rye.

Prepared rye pancake flour is any commercial preparation consisting of rye flour together with varying amounts of other flour, or flours (e. g., wheat, corn, rice, and buckwheat), commonly used in the preparation of pancakes, griddle cakes, or waffles.

Rye bread is the bread obtained by baking a dough, the chief rye constituent of which is rye flour.

Pumpernickel (including both domestic and foreign types) is the bread obtained by baking a dough in which whole-rye flour or whole-rye meal is the chief rye constituent.

Rye crackers, Swedish health bread and similar articles are rye products of the cracker or biscuit type which contain flour or meal made from rye.

Toasted rye breakfast foods are toasted or ready-to-eat preparations of the breakfast food type in which rye in any form is used as an ingredient.

Rye malt is rye which has been malted and prepared for use in brewing, distilling or other processing.

Rye mash is a mash material in which rye is a constituent prepared for use in the production of fermented beverages, distilled spirits, or other articles.

Rye distilled spirits are alcoholic distillates derived from rye either wholly or in part.

Rye feed is rye bran, rye middlings, rye red dog, or any product of rye (not in the form of flour) resulting from the grinding or cracking thereof for feed purposes only.

Distillers' rye dried grains is the dried residue obtained in the manufacture of alcohol and other distilled spirits from rye.

Distillers' rye solubles is a by-product from the manufacture of alcohol from rye solids obtained by the evaporation of mash liquor after the removal of the alcohol and wet grains.

IV. CONVERSION FACTORS

I do hereby establish the following conversion factors for articles processed wholly or partly from rye to determine the amount of tax imposed or refunds to be made with respect thereto:

The following table of conversion factors fixes the percentage of the per-bushel processing tax on rye with respect to 100 pounds⁴ of the following articles processed wholly or partly from rye.

including custom milling for toll as well as commercial milling, but shall not include the grinding or cracking thereof not in the form of flour for feed purposes only." Section 9 (d)(1) of the Act, as amended by Section 14 of the act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", Public, No. 320, 74th Congress, approved August 24, 1935.

⁴ In the case of rye distilled spirits 1 gallon of 100 proof.

| Article | Conversion factor |
|---------------------------------------------------------------------|-------------------|
| Whole-rye flour, whole-rye meal-----percent-- | 181.29 |
| All rye flour except whole-rye flour and whole rye meal-----do---- | 275.51 |
| Rye farina-----do----- | 275.51 |
| Prepared rye pancake flour-----do----- | 27.55 |
| Rye bread-----do----- | 54.0 |
| Pumpernickel: | |
| a. Domestic type-----do----- | 121.27 |
| b. Foreign type-----do----- | 124.68 |
| Rye crackers, Swedish health bread and similar articles-----do----- | 177.66 |
| Toasted rye breakfast foods-----do----- | 181.29 |
| Rye malt-----do----- | 220.26 |
| Rye mash ⁵ -----do----- | 178.57 |
| Rye distilled spirits ^{4,5} -----do----- | 22.73 |
| Rye feed-----do----- | 0 |
| Distillers' rye dried grains-----do----- | 0 |
| Distillers' rye solubles-----do----- | 0 |

As to any article for which no conversion factor is assigned, I hereby establish (1) that if such article is made, directly or indirectly, in some part from another article for which a conversion factor is assigned, then as to each 100 pounds⁶ of the rye content of such part the conversion factor shall be the conversion factor for such other article, and (2) that if such article is made, directly or indirectly, in some part from rye but not as to such part from another article for which a conversion factor is assigned, then as to such part the tax or refund shall be computed at the rate of the processing tax upon the basis of the amount of rye established to have been actually used in the production of such part.

In the event that any taxpayer, the Commissioner of Internal Revenue, or any person entitled to a refund or credit shall establish that any article processed wholly or partly from rye represents more or less rye than is indicated by the conversion factor listed above for such article, then the amount of tax, refund, or credit with respect to such article shall be computed at the rate of the processing tax on the basis of the amount of rye established to be actually represented therein.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 26 day of August, 1935.



R. G. Tugwell

Approved:

Acting Secretary of Agriculture.

Franklin D. Roosevelt

The President of the United States.

AUGUST 27, 1935.

⁴ In the case of rye distilled spirits 1 gallon of 100 proof.

⁵ The above conversion factors for rye mash and rye distilled spirits are based upon a mash containing only rye. In case rye is used only in part, the conversion factor for rye mash or rye distilled spirits shall be the proportion of the above conversion factor which the weight of the rye in the mash bears to the total weight of the grains and grain products in the mash.

⁶ Except where the factored article from which such part is made is distilled spirits, in which case "each 1 gallon of 100 proof" is the measure instead of "each 100 pounds."

